

LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE

STATE OF LOUISIANA

FINANCIAL REPORT

For the year ended
June 30, 2014

(With Accountant's Report Thereon)

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date SEP 10 2014

**LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA**

For the year ended June 30, 2014

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MICHAEL K. GLOVER

Certified Public Accountant

Member
American Institute of
Certified Public Accountants

Member
Society of Louisiana
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Louisiana Beef Industry Council
Department of Agriculture
State of Louisiana
Baton Rouge, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the business type activities of Louisiana Beef Industry Council, a component unit of the State of Louisiana, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise of Louisiana Beef Industry Council basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on the financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluation the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Louisiana Beef Industry Council a component unit of the State of Louisiana, as of June 30, 2014, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that is required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

Other information

My audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise of the Louisiana Beef Council Board's basic financial statements. The accompanying supplemental schedules as listed in the table of contents are presented for purposes of additional analysis and not a required part of the basic financial statements.

The accompanying supplemental schedules and the Division of Administration reporting package listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.


Other Reports

Internal Control Over Compliance

In accordance with *Government Audit Standards*, I have also issued my report dated August 21, 2014, on my consideration of Louisiana Beef Industry Council internal control over financial reporting and my test of its compliance with certain provision of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Louisiana Beef Industry Council internal control over financial reporting and compliance.

Compliance with the Act, Order and Beef Board Investment Policy

In accordance with the Beef Promotion and Research Act of 1985 (the Act), the Beef Promotion and Research Order (the Order) and the Beef Board Investment Policy dated December 15, 2008, I have also issued my report dated August 21, 2014, on my consideration of Louisiana Beef Industry Council compliance in the use of funds collected by the Council. The purpose of that report is to provide negative assurance regarding compliance with the Act, the Order and with the Beef Board Investment Policy for Qualified State Beef Councils (QSBC) dated December 15, 2008, which describe the use of funds collected by the Council insofar as they related to the accounting matters and the type of investments in which the Council may invest. That report is not a required report by *Government Auditing Standards* but is a required report by the QSBC.


Baton Rouge, LA
August 21, 2014

MICHAEL K. GLOVER

Certified Public Accountant

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American Institute of
Certified Public Accountants

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Society of Louisiana
Certified Public Accountants

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based On An Audit of the Financial Statements Performed in Accordance with Government Auditing Standards

Louisiana Beef Industry Council
Department of Agriculture
State of Louisiana
Baton Rouge, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statement of the business-type activities of the Louisiana Beef Industry Council, a component unit of the State of Louisiana, as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise the Louisiana Beef Industry Council basic financial statements and have issued my report thereon dated August 21, 2014.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Louisiana Beef Industry Council's internal control over financial reporting to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana Beef Industry Council's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Louisiana Beef Industry Council's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal controls such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I considered to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.


Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Beef Industry Council, a component unit of the Department of Agriculture, State of Louisiana, financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreement, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on the compliance with those provisions was not an objective on my audit and, accordingly, I do not express such an opinion. The results of my test disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Baton Rouge, LA


August 21, 2014

MICHAEL K. GLOVER

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Report on Compliance with the Federal Beef Promotion and Research Act of 1985, The Beef Promotion and Research Order and the Agricultural Marketing Services Investment Policy; Based on an Audit Performed in Accordance with Government Auditing Standards

Louisiana Beef Industry Council
Department of Agriculture
State of Louisiana
Baton Rouge, Louisiana

I have audited the financial statement of the Louisiana Beef Industry Council (the Council), a component unit of the State of Louisiana, as of and for the year ended June 30, 2014, and have issued my report thereon dated August 21, 2014. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

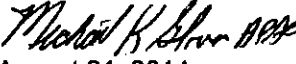
I conducted my audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

Compliance with the Federal Beef Promotion and Research Act of 1985, and the Beef Promotion and Research Order (the "Order") and the agriculture marketing services investment policy is the responsibility of the Louisiana Beef Industry Council's management. As part of my audit, I assessed the risk that noncompliance with the Act and the Order as explained above, could cause the financial statements to be materially misstated. I concluded that the risk of such material misstatement was sufficiently low that it was not necessary to perform test of the Louisiana Beef Industry Council's compliance with the Act and the Order.

However, in connection with my audit, nothing came to my attention that caused me to believe that the Louisiana Beef Industry Council has not complied, in all material respects, with the provision of the Beef Promotion Research act of 1985 and the Order relative to the use of funds collected by the Council insofar as they relate too accounting matters.

Further, nothing came to my attention that caused me to believe the Council was not in compliance with the provisions of the Beef Board Investment Policy for Qualified State Beef Councils Date December 15, 2008, which describes the type of instruments in which the Council may invest. However, my audit was not directed primarily toward obtaining knowledge of such noncompliance.

This report is intended for the information of the Council and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statue 24:513, this report is distributed by the Legislative Auditor as a public document.


August 21, 2014

LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE
STATEMENT OF NET POSITION
AS OF JUNE 30, 2014

ASSETS

Current assets:

Cash and cash equivalents	\$ 199,869
Certificate of deposit	207,767
Accounts receivables	27,816

Total assets	\$ <u>435,452</u>
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LIABILITIES

Current liabilities:

Accounts payable	\$ <u>32,805</u>
Total current liabilities	32,805

NET POSITION

Unrestricted	402,647
Total net position	\$ <u>402,647</u>

The notes are an integral part of this statement.

LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

OPERATING REVENUES	
Federal assessment \$1.00	\$ 389,692
Less: Distribution	<u>194,835</u>
	194,857
 Louisiana \$.50 assessment	 92,111
Less: Refunds	<u>561</u>
Total operating revenues	<u>91,550</u>
Total revenues	286,407
 OPERATING EXPENSES	
Advertising and promotion	143,025
Travel	24,049
Education	<u>27,588</u>
Total program expenses	194,662
 General and administrative	 <u>154,783</u>
Total operating expenses	349,445
 Operating income (loss)	 (63,038)
 OTHER INCOME	
Miscellaneous	<u>1,076</u>
	(61,962)
 NON-OPERATING INCOME	
Investment income	<u>96</u>
Income (loss)	(61,866)
 Total net position-beginning	 <u>464,513</u>
Total net position-ending	\$ <u><u>402,647</u></u>

The notes are an integral part of these financial statements.

LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014

Cash Flows from Operating Activities:	
Cash receipts from assessments	\$ 492,016
Cash payments to other suppliers for goods and services	<u>(546,723)</u>
Net cash provided (used) by operating activities	<u>(54,707)</u>
Cash Flows From Investing Activities:	
Interest received	<u>96</u>
Net (decrease) in cash and cash equivalents	(54,611)
Cash and cash equivalents, beginning of year	<u>254,480</u>
Cash and cash equivalents, end of year	<u>\$ 199,869</u>

RECONCILIATION OF OPERATING INCOME AND NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income (loss)	\$ (61,962)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Change in assets and liabilities	
Accounts receivable	9,137
Accounts payable	<u>(1,882)</u>
Net cash provided (used) by operating activities	<u>\$ (54,707)</u>

The notes are an integral part of these financial statements.

LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Introduction

The Louisiana Beef Industry Council (the Council) is a component unit of the State of Louisiana created within the Louisiana Department of Agriculture, as provided by Louisiana Revised Statutes (LSA-R.S) 2:2051. The Council is composed of eleven members, whom are the commissioner of agriculture, the president of the Louisiana Cattlemen's Association and nine cattle producers. Five cattle producers are appointed by the executive committee of the Louisiana Cattlemen's Association, one representative of the Louisiana Livestock Auction Markets Association, and three representatives of the Louisiana Farm Bureau Federation. The commissioner of Agriculture serves as an ex-officio member of the Council. The members serve three-year terms with no member serving more than two consecutive terms. The Council is responsible for helping develop, maintain, and expand the state, national and foreign markets for cattle and beef products produced, processed, or manufactured in this state, and to permit the cattle production and feeding industry of this state to contribute to the development and sustenance of Louisiana and Nationally coordinated programs of product improvement. The operations of the Council are funded by an assessment levied on Louisiana cattle marketed within or outside of the state. The assessment revenues are established by the Federal Beef Promotion and Research Act No. 24 of 2009, of the Louisiana Legislature.

Reporting Entity

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included in the reporting entity. In conformance with GASB Codification Section 2100, this entity is a component unit of the State of Louisiana because the Council is not legally separate and the state holds the Council's corporate powers. The accompanying basic financial statements present only the transactions of the Louisiana Beef Industry Council, a component unit of the State of Louisiana.

Basis of Presentation

The accompanying general purpose financial statements of the Council have been prepared in conformity with accounting principles generally accepted in the United States as applied to governmental units. Application of GAAP often requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates. The Government Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Basis of Accounting and Measurement Focus

The accompanying financial statement have been prepared in conformity with general accepted accounting principles (GAAP) generally accepted in the United States of America using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Con't.

Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits that mature within 90 days or less when purchased. Under state law, the Council may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or under the laws of the United States.

Under state law, the districts may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days. However, if the original maturities are 90 days or less, they are classified as cash equivalents.

Capital Assets

Capital assets purchased in excess of \$5,000 are recorded at historical cost and depreciated over their estimated useful lives(excluding salvage value). Estimated useful life is management's estimate of how long the asset is estimated to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Furniture	5-7 years
Equipment	5-10 years

Revenues and Expenses

Revenues and expense are recorded on the accrual basis of accounting. Operating revenues and expenses include income and expenditures related to the continuing operation of the Council. Principal operating revenues are federal assessments established in accordance with the Federal Beef Promotion and Research act of 2009 and authorized expenditures of the \$1.00 assessment (check off) come exclusively from the Federal Act and Order. The \$1.00 will be assessed on all Louisiana cattle purchased or sold within or outside of Louisiana and a state assessment of \$.50 on all cattle marketed within or outside Louisiana. The Cattlemen's Beef Promotion and Research Board receives \$.50 of the federal assessments. These distributions are deducted from the federal assessments on the Statement of Revenue, Expenses and Changes in Fund Net Position. Principal operating expenses are the costs of providing services and include administrative expenses. Other revenues and expenses are classified as non-operating in the financial statements. Using the accrual method of accounting, the revenues for assessments are recorded in the Statement of Revenue, Expenses and Changes in Fund Net Position as earned. Expenses are recorded as they are incurred.

General and Administrative Expenses

The Board has entered into a General and Administrative Services Agreement with the Louisiana Cattlemen's Association (LCA) whereby LCA will provide certain general administrative services to the Board in return for reimbursement of all direct and indirect cost related to the provided services. During 2014, the Board paid LCA \$130,000 for services related to this agreement. This contract expires June 30, 2016.

Encumbrances

Encumbrance accounting is used to record purchase orders as they are incurred to reserve that portion of the application appropriation. This method of accounting is not employed.

Statement of Cash Flows

This statement is prepared using the direct method. For purposes of this statement, this entity considers all highly liquid investments with a maturity of three months or less when purchased as a cash equivalent.

LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA

Notes to Financial Statements

2. RECEIVABLES

Receivables are assessments on the sale of cattle that were collected after the fiscal year ended. The Council has not established an allowance for doubtful accounts.

3. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposits. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The depository bank places approved pledged securities for safekeeping and trust with the District's in an amount sufficient to protect Council's funds on a day-to-day basis. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposits Insurance Corporation (FDIC) Insurance.

The deposits at June 30, 2014, consisted of the following:

	<u>Cash</u>	<u>Certificate of Deposit</u>	<u>Total</u>
Balance per agency books	\$ <u>199,869</u>	\$ <u>207,767</u>	<u>407,636</u>
Deposits in bank accounts per bank	<u>203,376</u>	<u>208,544</u>	<u>411,920</u>

The Council's deposits were not exposed to custodial credit risk as all balances were covered by deposit insurance or pledged securities. The following is a breakdown by banking institution and amount of the "Deposits in bank accounts per bank" balances shown previously.

Banking Institution

	<u>Amount</u>
American Gateway Bank - operating accounts	\$ <u>203,376</u>
Plaquemine Bank & Trust Company - Certificate of deposits	<u>208,544</u>
	\$ <u>411,920</u>

4. LITIGATIONS

There are not pending litigations or claims against the Council at year end.

5. COUNCIL MEMBERS PER DIEM

The Council members do not receive a per-diem for attending board meetings.

6. Decline in revenue

Prior to February 2014, a state assessment of \$.50 was charged on every head of Louisiana cattle sold at the time of sale, after that time the Louisiana Legislature changed the method of collecting the \$.50 to a voluntary payment. After the change in the method of collecting the \$.50, revenues have declined 96% as compared to the same period last year. Between the months of February and June 2014, the decline in the \$.50 assessment was approximately \$33,000 as compared to the same period last year. The decline in revenue for the next fiscal year is estimated to be in the range of \$80,000 - \$90,000. Management is making changes to decrease the expense paid out of the \$.50 and \$1.00 assessments and pay other expenses out of the \$1.00 assessment that were previously paid from the \$.50 assessment.

SUPPLEMENTAL INFORMATION

**LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA**

**Statement of Revenues and Expenses by Assessment Source
For the Year Ended June 30, 2014**

	<u>\$1 Assessment</u>	<u>\$0.50 Assessment</u>	<u>Total</u>
Revenues:			
Assessments	\$ 389,692	92,111	481,803
Less: CBPRB Remittance	194,835		194,835
Refunds		561	561
Net assessments	<u>194,857</u>	<u>91,550</u>	<u>286,407</u>
Other revenue			
Miscellaneous income	1,076	0	1,076
Interest	96		96
	<u>1,172</u>	<u>0</u>	<u>1,172</u>
Total revenues	<u>196,029</u>	<u>91,550</u>	<u>287,580</u>
Expenses:			
Program			
Advertising and promotions	127,356	15,669	143,025
General and administrative	23,121	131,662	154,783
Travel	21,636	2,413	24,049
Education	9,617	17,971	27,589
Total program expenses	<u>181,730</u>	<u>167,715</u>	<u>349,445</u>
Excess of Revenues over (Under) Expenses	<u>\$ 14,300</u>	<u>(76,165)</u>	<u>(61,866)</u>

This schedule is prepared in accordance with the reporting requirements of the Beef Promotion and Research Program. The account groups may be different than the grouping in the statements of revenues, expense and changes in net position included in the financial statements.

Change in the method of collecting the \$.50 assessment:

Prior to February 2014, a state assessment of \$.50 was charged on every head of Louisiana cattle sold at the time of sale, after that time the \$.50 has become voluntary. After the change in the method of collecting the \$.50, revenues have declined 96% as compared to the same period last year. The expected decline in revenue for the next fiscal year is estimated to be in the range of \$80,000 - \$90,000. Management is making changes to decrease the expense paid out of the \$.50 and \$1.00 assessments and pay other expenses out of the \$1.00 account that were previously paid from the \$.50 account.

LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA

Summary of Findings and Questioned Costs
For the year ended June 30, 2014

I have audited the basic financial statements of the Louisiana Beef Industry Council as of and for the year ended June 30, 2014, and have issued my report thereon dated August 21, 2014. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2014 resulted in an unmodified opinion.

Section 1. Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

a. *Report on Internal Control and Compliance Material to the Financial Statements*

Internal Control

Material Weaknesses ☐ Yes ☒ No Significant Deficiencies ☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

Was a management letter issued?

☐ Yes ☒ No

Findings – Financial Statements Audit for the year ended June 30, 2014

NONE

LOUISIANA BEEF INDUSTRY COUNCIL
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA

Summary of Prior year Findings and Questioned Costs
For the year ended June 30, 2013

Finding 2013-1

Criteria:

Management is responsible for developing internal controls related to the preparation of the financial statements as well as preparing financial statements in accordance with accounting principles generally accepted in the United State of America

Recommendation:

Curing the significant deficiency described above would not be cost effective or practical and according no correction action is necessary.

Louisiana Beef Industry Council
(Agency Name)
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2014

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4	Schedules of Long-Term Debt Amortization
15	Schedule of Comparison Figures and Instructions
16	Schedule of Cooperative Endeavors (see Appendices Packet - Appendix F at http://www.doa.louisiana.gov/OSRAP/afrpackets.htm)

The Appendices Packet is located as a separate packet on OSRAP's website at <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>.

STATE OF LOUISIANA
Louisiana Beef Industry Council (BTA)
STATEMENT OF NET POSITION
AS OF June 30, 2014

Statement A

ASSETS

CURRENT ASSETS

Cash and Cash equivalents	\$	199,869
Restricted Cash and Cash Equivalents		
Certificate of deposits		207,767
Derivative Instruments		
Receivables (net of allowance for doubtful accounts)(Note U)		27,816
Due from other funds (Note Y)		
Due from federal government		
Inventories		
Prepayments		
Notes Receivable		
Other Current Assets		
Total current assets		435,452

NONCURRENT ASSETS

Restricted assets (Note F):		
Cash		
Investments		
Receivables		
Investments		
Notes Receivable		
Capital assets, net of depreciation (Note D)		
Land non-depreciable easements		
Buildings and improvements		
Machinery and equipment		
Infrastructure		
Intangible assets		
Construction/Development-in-progress		
Other noncurrent assets		
Total noncurrent assets		
Total assets	\$	435,452

DEFERRED OUTFLOWS OF RESOURCES

Accumulated decrease in fair value of hedging derivatives	\$	
Deferred amounts on debt refunding		
Adjustments of capital lease obligations		
Grants paid prior to meeting time requirements		
Intra-entity transfer of future revenues (transferee)		
Losses from sale-leaseback transactions		
Direct loan origination costs for mortgage loans held for sale		
Fees paid to permanent investors prior to sale of mortgage loans		
Total deferred outflow of resources	\$	
Total assets and deferred outflow of resources	\$	435,452

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$	32805
Derivative instrument		
Due to other funds (Note Y)		
Due to federal government		
Unearned revenues		
Amounts held in custody for others		
Other current liabilities		

STATE OF LOUISIANA
Louisiana Beef Industry Council (BTA)
STATEMENT OF NET POSITION
AS OF June 30, 2014

Statement A

Liabilities Con't

Current portion of long-term liabilities: (Note K)

Contracts payable	\$	
Compensated absences payable		
Capital lease obligations		
Claims and litigation payable		
Notes payable		
Pollution remediation obligation		
Bonds payable (include unamortized costs)		
Other long-term liabilities		
Total current liabilities		32,805

NONCURRENT LIABILITIES

Contracts payable		
Compensated absences payable		
Capital lease obligations		
Claims and litigation payable		
Notes payable		
Pollution remediation obligation		
Bonds payable (include unamortized costs)		
OPEB payable		
Other long-term liabilities		
Total noncurrent liabilities		-
Total liabilities		32,805

DEFERRED INFLOWS OF RESOURCES

Accumulated increase in fair value of hedging derivatives	\$	
Deferred amounts related to service concession arrangement		
Deferred amounts of debt refunding		
Adjustments of capital lease obligations		
Grants received prior to meeting time requirements		
Property taxes received before the period of which the taxes were levied		
Fines and penalties received in advance of meeting time requirements		
Sales/intra-entity transfers of future revenues (transferor)		
Gains from sale-leaseback transactions		
Points received on loan origination		
Loan origination fees received for mortgage loans held for sale		
Total deferred inflows of resources		-

NET POSITION

Net investment in capital assets		
Restricted for:		
Capital projects		
Debt service		
Unemployment compensation		
Other specific purposes		
Unrestricted		232,025
Total net position		402,647
Total liabilities, deferred inflows of resources, and net position	\$	435,452

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA**Statement B****Louisiana Beef Industry Council (BTA)****STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED June 30, 2014****OPERATING REVENUE**

Sales of commodities and services	\$	
Assessments		
Use of money and property		
Licenses, permits, and fees		482,879
Federal grants and contracts		
State, local and nongovernmental grants and contracts		
Other		
Total operating revenues		482,879

OPERATING EXPENSES

Cost of sales and services		392,918
Administrative		151,923
Depreciation		
Amortization		
Total operating expenses		544,841

Operating income(loss)		(61,962)
------------------------	--	----------

NON-OPERATING REVENUES (EXPENSES)

State appropriations		
Intergovernmental revenues(expenses)		
Taxes		
Use of money and property		96
Gain on disposal of fixed assets		
Loss on disposal of fixed assets		
Federal grants		
Interest expense		
Other revenue		
Other expense		
Total non-operating revenues(expenses)		96

Income(loss) before contributions, extraordinary items, & transfers		(61,866)
---	--	----------

Capital contributions		
Extraordinary item		
Transfers in		
Transfers out		

Change in net position		(61,866)
------------------------	--	----------

Total net position – beginning		464,513
--------------------------------	--	---------

Total net position – ending	\$	402,647
-----------------------------	----	---------

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA
Louisiana Beef Industry Council (BTA)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED June 30, 2014

Statement C

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
			Capital Grants and Contributions	
Entity	\$ 544,841	\$ 482,879	\$	\$ (61,962)
General revenues:				
Taxes				
State appropriations				
Grants and contributions not restricted to specific programs				
Interest				96
Miscellaneous				
Special items				
Extraordinary item				
Transfers				
Total general revenues, special items, and transfers				96
Change in net assets				(61,866)
Net position - beginning as restated				464,513
Net position - ending				\$ 402,647

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
Louisiana Beef Industry Council (BTA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED June 30, 2014

Statement D
(continued)

Cash flows from operating activities

Cash receipts from customers	\$ 492,016	
Cash receipts from grants and contracts		
Cash receipts from interfund services provided		
Other operating cash receipts, if any		
Cash payments to suppliers for goods or services	(546,723)	
Cash payments to employees for services		
Cash payments for interfund services used, including payments "In Lieu of Taxes"		
Other operating cash payments, if any (* provide explanation).		
Net cash provided(used) by operating activities		(54,707)

Cash flows from non-capital financing activities

State Appropriations:		
Federal receipts		
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other (**provide explanation)		
Net cash provided(used) by non-capital financing activities		-

Cash flows from capital and related financing activities

Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets		
Proceeds from sale of capital assets		
Capital contributions		
Deposits with trustees		
Deferred proceeds from capital leases		
Net cash provided(used) by capital and related financing activities		-

Cash flows from investing activities

Purchases of investment securities		
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities	96	
Net cash provided(used) by investing activities		96

Net increase(decrease) in cash and cash equivalents		(54,611)
Cash and cash equivalents at beginning of year		254,480
Cash and cash equivalents at end of year	\$	199,869

STATE OF LOUISIANA
Louisiana Beef Industry Council (BTA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED June 30, 2014

Statement D
(concluded)

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)	\$ (61,962)
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:	
Depreciation/amortization	
Provision for uncollectible accounts	
Other	
Changes in assets and liabilities:	
(Increase)decrease in accounts receivable, net	9,137
(Increase)decrease in due from other funds	
(Increase)decrease in prepayments	
(Increase)decrease in inventories	
(Increase)decrease in other assets	
Increase(decrease) in accounts payable and accruals	(1,882)
Increase(decrease) in compensated absences payable	
Increase(decrease) in due to other funds	
Increase(decrease) in deferred revenues	
Increase(decrease) in OPEB payable	
Increase(decrease) in other liabilities	
Net cash provided(used) by operating activities	\$ (54,707)

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease(s)	\$
Contributions of fixed assets	
Purchases of equipment on account	
Asset trade-ins	
Other (specify)	
Total noncash investing, capital, and financing activities:	\$

The accompanying notes are an integral part of this statement.

Louisiana Beef Industry Council (BTA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED June 30, 2014

Please provide an explanation of what is included in "other." If there are multiple reasons, please list each out separately along with the amount.

* Other (operating cash payments)

**Other (cash flows from non capital financing activities)

***Other (cash flows from capital and related financing activities)

STATE OF LOUISIANA
Louisiana Beef Industry Council (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2014

INTRODUCTION

The Louisiana Beef Industry Council (BTA) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 36:4:1. The following is a brief description of the operations of Louisiana Beef Industry Council (BTA) and includes the parish/parishes in which the (BTA) is located:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of Louisiana Beef Industry Council (BTA) present information only as to the transactions of the programs of the Louisiana Beef Industry Council (BTA) as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Louisiana Beef Industry Council (BTA) are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

STATE OF LOUISIANA
Louisiana Beef Industry Council (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2014

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the Louisiana Beef Industry Council (BTA) are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

	<u>APPROPRIATIONS</u>
Original approved budget	\$ <u>566,000</u>
Amendments:	<u> </u> <u> </u> <u> </u> <u> </u>
Final approved budget	\$ <u><u>566,000</u></u>

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Appendices Packet - Appendix A at <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>, for information related to Note C.

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Louisiana Beef Industry Council (BTA) may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the (BTA) may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the statement of cash flows and statement of net position presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash

STATE OF LOUISIANA
Louisiana Beef Industry Council (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2014

equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2014, consisted of the following:

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Deposits per statement of net position (Reconciled bank balance)	\$ 199,869	\$ 207,767	\$	\$ 407,636
Deposits in bank accounts per bank	\$ 203,376	\$ 208,544	\$	\$ 411,920
Bank balances exposed to custodial credit risk:	\$	\$	\$	\$
a. Uninsured and uncollateralized				
b. Uninsured and collateralized with securities held by the pledging institution				
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's				

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Deposits per statement of net position" due to outstanding items.

STATE OF LOUISIANA
Louisiana Beef Industry Council (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2014

The following is a breakdown by banking institution, program, and amount of the "Deposits in bank accounts per bank" balances shown above:

<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1. American Gateway Bank	Promotion acct	\$ 196,616
2. American Gateway Bank	Checkoff account	6,760
3. Plaquemine Bank & Trust	Certificate of deposit	208,544
4. _____	_____	_____
Total		\$ 411,920

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the statement of net position to amounts reported in this note, list below any cash in treasury and petty cash that are included on the statement of net position.

Cash in state treasury	\$ _____
Petty cash	\$ _____

2. INVESTMENTS None
3. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES None
4. DERIVATIVES (GASB 53) None
5. POLICIES

Briefly describe the deposit and/or investment policies related to the custodial credit risk, credit risk of debt investments, concentration of credit risk, interest rate risk, and foreign currency risk disclosed in this note. If no policy exists concerning the risks disclosed, please state that fact.

No policy exist with regards to interest rate risk

6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the statement of net position of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

STATE OF LOUISIANA
Louisiana Beef Industry Council (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2014

Schedule of Capital Assets (includes capital leases)

<u>Agency</u>	<u>Balance</u> <u>6/30/2013</u>	<u>Prior Period</u> <u>Adjustments</u>	<u>Restated</u> <u>Balance</u> <u>6/30/2013</u>	<u>Additions</u>	<u>*</u> <u>Reclassifi-</u> <u>cation of CIP</u>	<u>**</u> <u>Retirements</u>	<u>Balance</u> <u>6/30/2014</u>
Capital assets not depreciated:							
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-depreciable land improvements	-	-	-	-	-	-	-
Non-depreciable easements	-	-	-	-	-	-	-
Capitalized collections	-	-	-	-	-	-	-
Software - development in progress	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-
Total capital assets not depreciated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other capital assets:							
Depreciable land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
** Accumulated depreciation	-	-	-	-	-	-	-
Total land improvements	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-
** Accumulated depreciation	-	-	-	-	-	-	-
Total buildings	-	-	-	-	-	-	-
Machinery & equipment	-	-	-	-	-	-	-
** Accumulated depreciation	-	-	-	-	-	-	-
Total machinery & equipment	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-
** Accumulated depreciation	-	-	-	-	-	-	-
Total infrastructure	-	-	-	-	-	-	-
Software (internally generated & purchased)	-	-	-	-	-	-	-
Other intangibles	-	-	-	-	-	-	-
** Accumulated amortization - software	-	-	-	-	-	-	-
** Accumulated amortization - other intangibles	-	-	-	-	-	-	-
Total intangibles	-	-	-	-	-	-	-
Total other capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital asset summary:							
Capital assets not depreciated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other capital assets, book value	-	-	-	-	-	-	-
Total cost of capital assets	-	-	-	-	-	-	-
Accumulated depreciation/amortization	-	-	-	-	-	-	-
Capital assets, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

* Should only be used for those completed projects coming out of construction-in-progress to capital assets.

** Enter a negative number except for accumulated depreciation in the retirement column

STATE OF LOUISIANA
Louisiana Beef Industry Council (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2014

- E. INVENTORIES None**
- F. RESTRICTED ASSETS None**
- G. LEAVE None**
- H. RETIREMENT SYSTEM None**
- I. OTHER POSTEMPLOYMENT BENEFITS (OPEB) None**
- J. LEASES**
- K. LONG-TERM LIABILITIES**
- L. CONTINGENT LIABILITIES None**
- M. RELATED PARTY TRANSACTIONS**
- N. ACCOUNTING CHANGES None**
- O. IN-KIND CONTRIBUTIONS None**
- P. DEFEASED ISSUES None**
- Q. REVENUES – PLEDGED OR SOLD (GASB 48) None**
- R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) None**
- S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL None**
- T. SHORT-TERM DEBT None**

STATE OF LOUISIANA
Louisiana Beef Industry Council (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2014

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2014, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
	\$ 27,816	\$ -	\$ -	\$ -	\$ 27,816
Gross receivables	\$ 27,816	\$ -	\$ -	\$ -	\$ 27,816
Less allowance for uncollectible accounts					
Receivables; net	\$ 27,816	\$ -	\$ -	\$ -	\$ 27,816
Amounts not scheduled for collection during the subsequent year	\$ -	\$ -	\$ -	\$ -	\$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2014, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General	\$ 32,805	\$ -	\$ -	\$ -	\$ 32,805
Total payables	\$ 32,805	\$ -	\$ -	\$ -	\$ 32,805

W. SUBSEQUENT EVENTS None

X. SEGMENT INFORMATION & REPORTING FUNDS OF A BLENDED COMPONENT UNIT None

Y. DUE TO/DUE FROM AND TRANSFERS None

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS None

AA. PRIOR-YEAR RESTATEMENT OF NET POSITION None

BB. ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB 46) None

CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES

DD. EMPLOYEE TERMINATION BENEFITS None

STATE OF LOUISIANA

Louisiana Beef Industry Council (BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 2014

EE. POLLUTION REMEDIATION OBLIGATIONS N/A

Pollution remediation costs (or revenue) should be reported in the statement of activities and statement of revenues, expenses, and changes in net position, if appropriate, as a program or operating expense (or revenue), special item, or extraordinary item in accordance with the guidance in Statement 34.

Disclosures:

For recognized pollution remediation liabilities and recoveries of pollution remediation outlays, governments should disclose the following:

- a. The nature and source of pollution remediation obligations (for example, federal, state, or local laws or regulations)
- b. The amount of the estimated liability (if not apparent from the financial statements), the methods and assumptions used for the estimate, and the potential for changes due to, for example, price increases or reductions, technology, or applicable laws or regulations
- c. Estimated recoveries reducing the liability.

For pollution remediation liabilities, or portions thereof, that are not yet recognized because they are not reasonably estimable, governments should disclose a general description of the nature of the pollution remediation activities.

See OSRAP Memo 09-24, or the Q&A at http://www.doa.la.gov/OSRAP/library/gasb34/GASB49_QA.pdf for more information on measuring pollution remediation liabilities.

SAMPLE disclosure: (This is a sample disclosure. Adapt as necessary to fit your specific agency.)

At fiscal year end, _____ (BTA) was a responsible party or potential responsible party in the remediation of _____ (friable asbestos, polluted ground water, removal of leaking underground fuel storage tanks, removal of lead-based paint, diesel spill cleanup, removal and replacement of contaminated soil, oversight and enforcement-related activities, post-remediation monitoring, etc.) on _____ agency's/entity's property. A possible explanation for this is _____. Further investigation to determine the full nature and extent of this contamination and required remediation has lead to a potential liability of \$ _____. The _____ (agency) paid \$ _____ in remediation costs for fiscal year 2014 and is reporting a balance of \$ _____ for the liability. At this time the complete cost for remediation is unable to be estimated as a result of future remediation contracts, inflation, and the amount of time involved. As these costs become estimable and costs incurred, the liability will be adjusted.

STATE OF LOUISIANA
Louisiana Beef Industry Council (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2014

The following worksheet is provided to assist in completing required note disclosure and in determining the agency's pollution remediation activities, current year expenses, adjustments to pollution remediation obligations, and the amount of the year end liability.

GASB 49
Inventory Log
FYE 6/30/14

10

STATE OF LOUISIANA
Louisiana Beef Industry Council (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2014

Explanations for GASB 49 Worksheet

- a Enter agency/department name
- b List projects reported in the prior fiscal year that had an outstanding liability at 6/30/13
- c List projects that were overlooked or not included as remediation projects in previous fiscal years
- d List remediation projects that were begun/identified in the fiscal year ending 6/30/2014
- e Enter project number assigned by FP&C, DEQ, or other number assigned to identify project
- f Year the project was begun--this is not necessarily the year remediation began; it should be the year the pollution was identified and includes time involved to develop a remediation plan and the actual remediation process
- g This column is used to report those projects that were included/added in the previous fiscal year and had a balance outstanding at the end of that year
- h This column is for reporting increases in the estimated remediation cost, whether from expanding the scope of the project to contracting for a specific service.
- i Record total expenditures related to the project made during the fiscal year, including those made in the 13th period (13th period expenditures are also shown separately in column AB (p))
- j Record activities that decrease the estimated remediation liability that are not expenditures--for example, amounts included in original estimate were overstated and actual was less than what was recorded; scope of project not as extensive as originally estimated.
- k The formula in this column sums columns J, L, N, and P (g, h, i, and j)
- l Indicate percentage of project completion in this column
- m Amounts in this column represent the portion of the ending liability that are due and payable within the next 12 months
- n Amounts in this column represent the portion of the ending liability that are not due and payable until after 6/30/14. This amount plus the amount in column V (m) must total the amount in
- o This column is to identify any amounts that have been or will be received from other sources such as other responsible parties or insurance proceeds to help cover the cost of remediation
- p Record amounts expended on pollution remediation projects during the 13th accounting period in this column--this amount should be included in column N (i)
- q Provide reference and note explanations on an extra page, for example: (1) awaiting court

STATE OF LOUISIANA
Louisiana Beef Industry Council (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2014

FF. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

Provide your entity's ARRA revenue received in FY 2014 on a full accrual basis:

Provide your entity's ARRA expenses in FY 2014 on a full accrual basis:

GG. RESTRICTED ASSETS – OTHER SPECIFIC PURPOSES

Per GASB Statement 34, paragraph 34, assets are reported as restricted when constraints on asset use are either externally imposed by creditors, such as through debt covenants, grantors, contributors, or laws or regulations of other governments imposed by law through constitutional provisions or enabling legislation. Restricted Assets are reported on the statement of net position as restricted by Capital Projects, Debt Service, Unemployment Compensation, and Other Specific Purposes. The statement of net position amount for Restricted Assets - Other Specific Purposes should be further defined by function as follows:

	<u>Restricted Assets</u>
Conservation and Environment	\$ _____
Corrections	_____
Culture, Recreation, and Tourism	_____
Education	_____
General Government	_____
Health and Welfare	_____
Public Safety	_____
Transportation and Development	_____
Youth Services	_____
Total	\$ _____ -

HH. SERVICE CONCESSION ARRANGEMENTS

Service Concession Arrangements (SCAs) are types of public-private or public-public partnerships. The term public-private partnership is used to refer to a variety of service arrangements, management arrangements, and SCAs. An SCA is an arrangement between a government (the transferor) and an operator, who may be a governmental entity or a nongovernmental entity, in which all four criteria are met. For additional information, see OSRAP Memo 13-24 at <http://www.doa.louisiana.gov/OSRAP/library/memos/13/OSRAP1324.pdf>.

Provide the following information:

- Identify the parties to the arrangement:

STATE OF LOUISIANA
Louisiana Beef Industry Council (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2014

- The time period of the SCA:
Start date: _____
End date: _____
- The asset/facility that is involved:

- General description of the arrangement – management objectives, and status of the project during the construction period:

- The nature and amounts of assets, liabilities, and deferred inflow of resources:

- The nature and extent of rights retained by the transferor or granted to the governmental operator under the agreement:

- Identify the significant consideration – up-front payments, installment payments, a new facility, improvements to an existing facility, etc.:

Arrangements that have provisions for guarantees and commitments such as the transferor being responsible for the debt if the operator defaults or may include a minimum revenue guarantee to the operator. Provide the following:

- Identify the guarantee and commitment:

- Duration of the arrangement:

- Significant contract terms of the guarantee or commitment:

Attach select pages from the service concession arrangement that provide the facts.

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As of and for the year ended June 30, 2014

II. NONEXCHANGE FINANCIAL GUARANTEES (GASB 70)

Nonexchange financial guarantees are transactions in which the following occur:

- 1) An entity guarantees an obligation of another legally separate entity or individual which requires the guarantor to indemnify a third-party obligation holder in the event that the entity or individual that issued the guaranteed obligation does not fulfill its requirements under the obligation; and
- 2) The entity extending the financial guarantee does not receive equal or approximately equal value in return.

For additional information on nonexchange financial guarantees, see OSRAP Memo 14-23 at <http://www.doa.louisiana.gov/OSRAP/library/memos/14/OSRAP1423.pdf>.

Please provide the following information for nonexchange financial guarantees where your agency is acting as the guarantor.

A. Disclose the types of obligations guaranteed (mortgages, bonds, student loans).

Types of Obligations Guaranteed	Length of Time of Guarantee	Total Amount of Outstanding Nonexchange Financial Guarantees*

*Include outstanding guaranteed amounts as of 6/30/14.

B. Disclose the legal authority and limits for extending guarantees.

C. Disclose arrangements for recovering payments from the issuer or issuer of the obligations in event of default and payment is rendered by your agency. Disclose these arrangements for each type of obligation guaranteed.

D. Complete the following table if your agency has either 1) determined that it is more likely than not that your agency will be required to make payments on nonexchange financial guarantees your agency extended or 2) made payments during the fiscal year on nonexchange financial guarantees your agency extended. Disclose decreases (payments made) during the fiscal year even if your agency's balance is zero at fiscal year end. Please add additional lines as necessary.

Types of Obligations Guaranteed	Balance at 7/1/2013	*Increases	**Decreases	Balance at 6/30/14	Payments to date
1					
2					
3					

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Notes to the Financial Statement**As of and for the year ended June 30, 2014**

* Includes initial recognition and adjustments increasing estimated liability

** Guarantee payments made and adjustments decreasing estimates

*** 6/30/14 estimated liability should be reported as "claims and litigation payable" in the SNP

E. Disclose the amount expected to be recovered from the issuer for payments made through the current fiscal year-end on guarantees listed in the table.

If your agency has an obligation(s) guaranteed by another entity as part of a nonexchange financial guarantee transaction, please provide the following information:

A. Complete the table for both current nonexchange financial guarantees and nonexchange financial guarantees that are no longer outstanding, but payment was rendered by the guarantor during the current fiscal year. *Please add additional lines as necessary.*

Name of Guarantor	Types of Obligations Guaranteed	Length of time of Guarantee	Amount of Nonexchange Financial Guaranteed Obligations	Guarantor Payments made with Respect to Nonexchange Financial Guaranteed Obligations	
				Current Year Payments	Payments to date

B. Disclose arrangements for repaying the guarantor of the obligations in the event of default and payment is rendered by the guarantor on your agency's behalf.

C. List the outstanding amounts at the end of the current fiscal year, if any, required to be repaid to the entity that provided the guarantee.

Guarantor	Outstanding Amount to be Repaid to the Guarantor

SCHEDULE 1

STATE OF LOUISIANA
Louisiana Beef Industry Council (BTA)
SCHEDULE OF NOTES PAYABLE
June 30, 2014
NONE

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
		\$	\$	\$	\$		\$
Total		\$	\$	\$	\$		\$

*Send copies of new amortization schedules

SCHEDULE 3-A

STATE OF LOUISIANA

Louisiana Beef Industry Council (BTA)
SCHEDULE OF BONDS PAYABLE
June 30, 2014
NONE

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
Series:							
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Unamortized Discounts and Premiums Series:							
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____		\$ _____

***Note: Principal outstanding (bond series minus unamortized costs) at 6/30/14 should agree to bonds payable on the statement of net position.**

Send copies of new amortization schedules for bonds and unamortized costs.

STATE OF LOUISIANA
Louisiana Beef Industry Council (BTA)
SCHEDULE OF CAPITAL LEASE AMORTIZATION
For The Year Ended June 30, 2014
NONE

<u>Fiscal Year</u> <u>Ending:</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
2015	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> -- </u>
2016	<u> </u>	<u> </u>	<u> </u>	<u> -- </u>
2017	<u> </u>	<u> </u>	<u> </u>	<u> -- </u>
2018	<u> </u>	<u> </u>	<u> </u>	<u> -- </u>
2019	<u> </u>	<u> </u>	<u> </u>	<u> -- </u>
2020-2024	<u> </u>	<u> </u>	<u> </u>	<u> -- </u>
2025-2029	<u> </u>	<u> </u>	<u> </u>	<u> -- </u>
2030-2034	<u> </u>	<u> </u>	<u> </u>	<u> -- </u>
2035-2039	<u> </u>	<u> </u>	<u> </u>	<u> -- </u>
 Total	 \$ <u> -- </u>	 \$ <u> -- </u>	 \$ <u> -- </u>	 \$ <u> -- </u>

STATE OF LOUISIANA
Louisiana Beef Industry Council (BTA)
SCHEDULE OF NOTES PAYABLE AMORTIZATION
For the Year Ended June 30, 2014
None

Fiscal Year Ending:	Principal	Interest
2015	\$ _____	\$ _____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020-2024	_____	_____
2025-2029	_____	_____
2030-2034	_____	_____
2035-2039	_____	_____
Total	\$ <u> -- </u>	\$ <u> -- </u>

STATE OF LOUISIANA
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SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 2014

Fiscal Year	NONE	
<u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ _____	\$ _____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
2031	_____	_____
2032	_____	_____
2033	_____	_____
2034	_____	_____
2035	_____	_____
2036	_____	_____
2037	_____	_____
2038	_____	_____
2039	_____	_____
Subtotal	_____ --	_____ --
Unamortized	_____	_____
Discounts/Premiums	_____	_____
Total	\$ _____ --	\$ _____ --

***Note: Principal outstanding (bond series plus minus unamortized costs) at 6/30/14 should agree to bonds payable on the statement of net position.**

STATE OF LOUISIANA

Louisiana Beef Industry Council (BTA)

COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$5 million, explain the reason for the change. Please provide adequate details to clearly explain the change from last year.

	<u>2014</u>	<u>2013</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 482,975	\$ 468,807	\$ 14,168	\$ 3.02%
Expenses	544,841	497,191	47,650	9.58%
2) Capital assets			-	
Long-term debt			-	
Net position	402,647	464,513	(61,866)	(13.32)%
Explanation for change:				

See Appendix F for instructions

AGENCY NAME _____

Email completed form to katherine.porche@la.gov

[illegible]